

OFFICIAL

State Plan Under Title XIX of the Social Security Act

State/Territory: New Jersey

**Requirements for Third Party Liability
Identifying Liable Resources**

- (b)(1) The frequency of the data exchange required in Section 433.138 (d)(1) and (3) is quarterly. For (d)(4), a reasonable attempt has been made to secure agreements with the Divisions of Motor Vehicles and Workers' Compensation. For 433.138(e), the frequency of the diagnosis and trauma code edit is monthly.

Pursuant to 42 CFR 433.138(d)(4), mandating the State Agency to conduct a match with the State's Workers' Compensation file, please be advised that the New Jersey Medicaid Program does have such an agreement with the State Division of Workers' Compensation to effect a match of their records with the Medicaid file. This match is done every six months. Based on the results of the match, appropriate recovery action will be taken.

- (2) With regard to Section 433.138(g)(1)(i), the receipt of information for use in identification of legally liable third party resources is followed by verification within the time frames contained in federal regulations by contact with the source of original information, or other reliable source of information. Verified information is incorporated into the third party data base. The State has developed the following procedure/protocol for identifying those trauma codes that have a high probability for recovery from a third party and for focusing priority on the most productive codes:

1. Review recoveries from the trauma code edit process for the most recent prior two years of the edit.
2. Array the diagnoses by number of cases, Medicaid dollars paid, and Medicaid dollars recovered. This list will be printed in descending order from the highest dollar recovery to the lowest dollar recovery.
3. Through analysis of this report, determine those codes that appear to result in the highest third party recovery.
4. Submit a request for program modifications to give priority to the identified codes.
5. Run the report generated in item #2 above periodically to monitor any changes in recovery level of the trauma code, and assess those trauma diagnoses that have proven to have been cost-ineffective from a recovery standpoint. This aforementioned analysis will enable the State to submit information to HCFA for waiver consideration.

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Requirements for Third Party Liability: Identifying Liable Resources, cont.

(b)(2), cont.

With regard to Section 433.138(g)(2)(i), relative to health insurance information, information identifying legally liable third party resources is taken from the initial application for assistance, at redetermination, and whenever a change is reported. When data from these three sources is verified, it is incorporated into the third party data base within the time frames contained in federal regulations. In regard to the Workers' Compensation data exchange, please see the response to (b)(1) above.

- (3) There is no match with the New Jersey Division of Motor Vehicles. Supporting documentation has been provided to HCFA.
- (4) Under our proposed trauma edit follow-up system, within sixty (60) days after the end of each calendar quarter, for those claims identified as bearing traumatic diagnoses and paid within that quarter, the Division will correspond by mail with the Medicaid recipient or provider in an attempt to ascertain the legally liable third party for each person identified as having trauma claims in accord with the applicable threshold.

The Third Party Recovery Unit will maintain sufficient records to periodically identify those trauma codes that yield the highest third party collections. Upon collection, the amount will be recorded and the Unit will periodically review all amounts and diagnoses to determine those having the highest yield.

Following the identification of a legally liable third party obtained through the follow-up, the time frame for incorporation into the third party case file, Recovery Unit, and eligibility case file is 60 days. It should be noted that the Medicaid status file contains data on both eligibility and third party coverage.

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